

The Impact of Private Pawn Development on The Development of Micro, Small and Medium Enterprises

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ABSTRACT

The purpose of this study is to analyze: 1) What is the procedure for providing Private Pawn distribution for the Development of Micro, Small and Medium Enterprises? 2) Development of Private Pawns for the Development of Micro, Small and Medium Enterprises? 3) The Impact of Private Pawn Development on the Development of Micro, Small and Medium Enterprises?. The research method used is normative juridical with a statutory approach, concept approach, and case studies.

The results showed that: 1) In the lien agreement stipulated regarding the rights and obligations between the lien and the lienholder. The agreement made by both parties plays an important role in providing accountability for the fulfillment or non-fulfillment of the rights and obligations of creditors and debtors. 2) The existence of this private pawn company was captured by the government as a potential financial strength that is very good for the community. In 2016 the government has issued a regulation that is the basis for the existence of private pawn companies, namely "Financial Services Authority Regulation Number 31 / POJK. 05 Year 2016 concerning Pawning Business" (hereinafter referred to as "POJK Usaha Pergadaian"). 3) Private pawn companies are getting more and more every day, proving that this private pawn business service is very easy, with fast and simple service there is no need to be complicated to wait a long time. But usually this private pawn business service provides high enough interest so that it will burden the recipient of the lien.

Keywords: Impact, Private Pawn, Development, Micro, Small and Medium Enterprises

INTRODUCTION

Background

The enactment of POJK Usaha Pergadaian or Regulation of the Financial Services Authority Number 31 / POJK.05 / 2016 concerning Pawnshop Business which provides space for the implementation of pawn business based on sharia principles has implications for the pawn legal system, namely the enactment of more than one legal system that regulates pawn business, namely conventional and sharia. this means that there has been a dualism of the legal system of pawn business, especially pawn business. The fundamental difference between the two pawn law systems can be seen from the legal foundations and principles used and the scope of the lien object.

The definition of a pawn is also mentioned in Article 1 Number 10 of the Financial Services Authority Regulation Number 31 / POJK.05 / 2016 concerning Pawnshop Business, namely *that "a pawn is a right obtained by the Pawnshop Company over a movable property, which is handed over to him by the customer or by his proxy, as collateral for his loan, and which authorizes the Pawnshop Company to take loan repayment from the goods by preempting other creditors, With the exception of the cost of auctioning or selling the item and the cost of salvaging the item incurred after it has been delivered as a lien, which costs shall take precedence."* From the definition of a pawn as mentioned in the POJK on Pawnshop Business, it shows that the pawn holder is a company. ¹To anticipate the development of the form of a business entity, Article 2 Paragraph (1) of the POJK Usaha Pergadaian stipulates that the Pawn Business can only be in the form of a legal entity Limited Liability Company (PT) or Cooperative.

In addition to determining the form of a business entity, Article 3 of the POJK Usaha Perpidaian prohibits a pawn company owned by a foreign national, or a business entity that is partially or wholly owned by a foreign citizen or business entity. Apparently, this regulation in the field of pawning business directs the pawn business as an alternative financing for the community based on its own strength.²

OJK's policy direction is to limit the *playing field* for this pawn business, in order to grow and develop competitively, in addition to other financial services sectors, namely banking and capital markets. In the future, Pawn Business will be an attractive choice for the lower middle class, and micro, small and medium enterprises that are safe, efficient and provide optimal legal protection.

Pawns include mortgages made by pawnshops and private pawnshops. Article 1 Number 2 POJK Number 31/POJK.05/2016 states that "Pegadaian Company is a private pawnshop company and a government pawnshop company regulated and supervised by the Financial Services Authority. Private Pawnshop Company is a legal entity that conducts Pawnshop Business Article 1 Number 3 POJK Number 31 / POJK.05 / 2016)". The Article indicates that the lien holder must be a company in the form of a Legal Entity.³ Based on the current mapping of pawn companies, OJK will continue to encourage private pawn companies to immediately register their businesses to obtain business licenses until the specified deadline. This registration and licensing can be used by OJK to supervise and ensure that pawn companies in carrying out their business activities comply with regulations and in accordance with the purpose of their establishment.

The role of pawnshops that are oriented to help and serve the needs of small-scale communities greatly helps economic growth. As a non-bank financial institution engaged in financing services, and with its main task is to channel pawn financing. Financing is one of the main tasks of financial institutions, namely the provision of funds to meet the needs of parties classified as parties who experience *a deficit unit*.⁴ Financing is used to define funding made by financing institutions. Based on Law No. 20 of 2008,

¹ Siti Malikhathun Badriyah, R. Suharto & Majro, "Reorientation of Private Pawnshop Business as an Effort to Balance the Legal Relationship of the Parties in Indonesia", *IUS Journal*, Vol VII No.3, 2019, p. 536

² Lastuti Abubakar, "Pranata Pawn as an Alternative to Own Power-Based Financing (The Idea of the Establishment of the Pawn Law)", *Journal of the Law Pulpit - Faculty of Law UGM*, Vol. 24, No.21, 2012

³ Siti Malikhathun Badriyah, R. Suharto & Majro, op.cit., p. 536

⁴ Gita Danupranata, *Sharia Banking Management* (Jakarta: Salemba Empat, 2013), p 103.

financing is meant "the provision of funds by the Government, Regional Governments, the Business World, and the community through banks, cooperatives, and non-bank financial institutions, to restore and strengthen the capital of Micro, Small and Medium Enterprises".⁵

In people's lives, it turns out that registration of private pawnshop businesses has not been done much. This private pawnshop practice is widely carried out because the conditions are very easy and simple. Among other things, pawn objects such as motor vehicles are often used by pawnholders for daily purposes and sometimes even used as a business. Though there is a guarantee principle that the lien does not give the lien holder the right to use and enjoy the object. This has great potential to cause losses to the parties. This study aims to obtain evidence regarding the legality of the private pawnshop business and the balance of the legal relationship of the parties in the implementation of private pawns.

Problem Statement

1. What is the procedure for providing Private Pawn distribution for the Development of Micro, Small and Medium Enterprises?
2. The Development of Private Pawns for the Development of Micro, Small and Medium Enterprises?
3. The Impact of Private Pawn Development on the Development of Micro, Small and Medium Enterprises?

Theoretical Framework

1. Theory of Legal Certainty

The principle of legal certainty is needed in the creation of laws and regulations in this case Number 31 / POJK.05 / 2016 concerning Pawnshop Business, because legal certainty is the main principle of various kinds of principles of the rule of law according to M. Kordela "*The legal certainty as the superior principle of the system of formal principles of the rule of law justifies the legal validity of a defined group of values*".⁶ According to Maxeiner, Legal Certainty has two functions, namely guiding the public to obey the law and protecting the public against arbitrary government actions that can use their power in making and enforcing the rule of law.⁷ Legal certainty refers to the clear, fixed, consistent and consequent enactment of laws whose implementation cannot be influenced by subjective circumstances. Certainty and justice are not merely moral demands, but factually characterize the law. A law that is uncertain and unwilling to be fair is not just a bad law.⁸

2. Theory of Legal Protection

According to Fitzgerald, legal protection aims to integrate and coordinate various interests in society because in a traffic of interests. Protection of certain interests can only be done by limiting various interests

⁵ Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises.

⁶ Samudra Putra Indratanto, Nurainun, and Kristoforus Laga Kleden, "The Principle of Legal Certainty in the Implementation of Constitutional Court Decisions in the Form of State Institution Regulations and Government Regulations in Lieu of Law," *Journal of Legal Sciences*, Vol.16 No. 1, 2020, p. 90

⁷ Ibid

⁸ Cst Kansil, Christine, S.T Kansil, Engeli R, Palandeng and Godlieb N Mamahit, *Kamus Terms of Law*, Jakarta, 2009, p. 385.

on the other hand.⁹ Legal protection according to Satjipto Raharjo, namely providing protection for human rights (HAM) harmed by others and protection is given to the community in order to enjoy all the rights given by law.¹⁰

Legal protection theory is a theory that examines and analyzes the form or form or purpose of protection provided by law to its subjects.¹¹ The elements listed in the definition of legal protection theory include:¹²

- a) The existence of a form or form of protection or purpose of protection;
- b) Legal subjects;
- c) Object of legal protection.

Research Methodology

The approach in this study uses a normative juridical approach. The normative juridical approach is an approach that is carried out based on the main legal material by examining theories, concepts, legal principles and laws and regulations related to this research. This approach is also known as the literature approach, namely by studying books, laws and regulations and other documents related to this research.¹³ The specification in this study is analytical descriptive research. Descriptive analytic according to Sugiyono¹⁴, which is a method that serves to describe or provide a picture of an object under study through data or samples that have been collected as they are without conducting analysis to make conclusions that apply to the public. The technique in this research is descriptive analytical, where the analysis is carried out critically using various theories of the research problem. Descriptive research analysis, which studies the purpose of law, the values of justice, the validity of the rule of law, legal concepts, and legal norms.

RESEARCH RESULTS

Procedure for Providing Private Pawn Distribution for the Development of Micro, Small and Medium Enterprises

In Indonesia, the only official pawn institution established by the government is PT Pegadaian. PT Pegadaian (Persero) provides electronic goods pawn facilities to obtain credit loans, with several requirements that must be met, including bringing collateral objects and photocopies of personal identity such as KTP (Identity Card) and KK (Family Card), bringing purchase receipts and warranty cards (if any) and must include the original box at the time of purchase of electronic goods that will be used as collateral.

The provisions at PT Pegadaian are quite burdensome for debtors who need fast funds. So that prospective debtors are forced to turn to private pawn institutions because they do not have to include the original box of electronic goods to be mortgaged. Simply by bringing your identity, the pawn process can be carried

⁹ Fajar Alamsyah Akbar. "Legal Protection of Copyright According to Article 12 of Law Number 28 of 2014 concerning Copyright in Indonesia". *Journal: JOM*. Vol. 3 No.2. 2016. p. 4

¹⁰ Satjipto Rahardjo. 2000. *Legal Science*. Bandung: PT Citra Aditya Bakti. p. 54

¹¹ Salim and Erlies Septiana Nurbani. 2013. *Application of Legal Theory to Thesis and Dissertation Research*. Jakarta: PT Raja Graindo Persada. p. 263.

¹² Ibid

¹³ Johnny Ibrahim, *Theory and Methodology of Normative Legal Research* (Malang: Banyumedia Publishing, 2006), p. 299.

¹⁴ Sugiyono, "Quantitative, Qualitative and R&D Research Methods," 26th, 2018.

out. The facilities offered have resulted in the mushrooming of private pawn businesses because they are in great demand by the public, especially among students and lower and middle class workers.

Private pawnshops are pawnshop businesses carried out by private / non-government parties. The business activities of this pawnshop are the same as those carried out by government pawnshops. The business carried out is the provision of loans with guarantees of movable objects, including gold, electronic goods, motor vehicles and so on. The basis of the legal relationship between the parties to the lending and borrowing agreement is the agreement. The agreement between the debtor and creditor as the private pawn business actor is guaranteed by material guarantees with movable objects with the pawn institution.¹⁵

In the lien agreement is regulated regarding the rights and obligations between the lien and the lienholder. The agreement made by both parties plays an important role in providing accountability for the fulfillment or non-fulfillment of the rights and obligations of creditors and debtors.

All provisions in the lien are carried out based on the clauses included in the lien agreement, taking into account the rules in the Pawn Law, including those regulated in the Civil Code Articles 1150 to Article 1161 and the Financial Services Authority Regulation (POJK) Number 31 / POJK.05 / 2016 concerning Pawn Business. The OJK regulation aims to increase financial inclusion (improvement and development) for the lower middle class and micro, small and medium enterprises (SMEs), through easy access to loans, as well as provide a legal basis for OJK in the context of supervision, provide legal certainty for pawnshop business actors, in order to create a healthy pawnshop business and of course protection for consumers who use pawnshop services. The POJK is present as a form of government responsibility in supervising and controlling pawn business activities in Indonesia.¹⁶

The provision of credit is generally done by entering into an agreement in advance, because every lien application that has been approved and agreed upon must be poured into the lien agreement. In the Pledge agreement, there is an *inbezitstelling* condition, which is an absolute condition that must be fulfilled in a Pledge which requires that the Pawn goods must be taken out of the power of the lien.

In a lien agreement, the legal consequences arising are of course the rights and obligations of the parties. Since the occurrence of the lien agreement between the lien and the lien, since then the rights and obligations of the parties have arisen. In Articles 1155 to Article 1157 of the Civil Code, the rights and obligations of both parties have been stipulated. The rights of the lien recipient include:¹⁷

1. A lien may perform *executie (eignmachtige verkoop)* i.e. sell in his own power the lien's objects in the event that the lien is negligent or in default;
2. The lien has the right to sell movable property belonging to the lien through a right intermediary and is called *riell executie*;

¹⁵ Siti Malikhatun Badriyah, et al, Reorientation of Private Pawnshop Business as an Effort to Balance the Legal Relationship of the Parties in Indonesia, IUS Journal, Vol VII Number 3 December 2019

¹⁶ Tiana Yulia Insani, Implementation of Electronic Goods Pawn Agreement at Mazpram Gadai Yogyakarta Against the Obligations of Pawnholders, DIPONEGORO LAW JOURNAL Volume 8, Number 1, Year 2019, 716.

¹⁷ Y.Sri Susilo, Sigit Triandaru and A. Totok Budi Santoso, Banks and Other Financial Institutions, Salemba Em- pat, Jakarta, 2000, p.183

3. In accordance with Article 1157 paragraph 2 of the Civil Code, the lien is entitled to reimbursement from the lien of all useful costs that have been incurred by the lien for the safety of the lien;
4. Article 1158 of the Civil Code states, if a receivable is mortgaged and the receivable earns interest then the lien recipient has the right to calculate the interest on the receivable to be paid to him;
5. The lien has the right of retentive, which is the right of the lien to hold the lien's property until the lien fully pays the principal debt plus interest and other costs that have been incurred by the lien to maintain the safety of the lien. This is in accordance with the provisions of Article 1159 of the Civil Code.

While the obligations of the lien recipient include:

1. Only master objects as hounders, not as bezziters and maintain their safety. Thus the lien recipient shall not enjoy or transfer the pledged lien's objects;
2. The lien recipient must notify the pawner if the lien will be sold no later than the next day if there is a daily postal connection or a telegraph contact, or if it cannot be done, allowed by the first departing post (Article 1156 paragraph 2 of the Civil Code);
3. The lien recipient is liable for the loss or deterioration in the value of the lien if it occurs due to his negligence (Article 1157 of the Civil Code)
4. The lien recipient must return the lien after the principal, interest, costs or costs for the salvage of the object in question have been paid in full.

Specific rights regarding liens include:

1. Receiving a lien from the lien;
2. Entitled to liens, if the principal debt, interest and other costs have been repaid;
3. The right to sue the court for the lien to be sold to pay off its debts (Article 1157 of the Civil Code)¹⁸

What substance or things are important to be regulated in the arrangement of a Private Pledge, namely first, is closely related to the time of the occurrence of a lien that for the occurrence of a lien there are 2 (two) kinds of stages, the stage of a money loan agreement with a promise to be able to provide movable objects as collateral, and the stage of directing the lien object in the power of the lien. So that the lien occurs when the 2 (two) stages are fulfilled.¹⁹

Second, regarding the estimator, it is stated in the provisions of article 19 paragraph (1) of the POJK Pawn Business that "... *must have at least 1 estimator to assess collateral in each service unit*".²⁰ It is also stated that the estimator must also pass the certification of the assessment of collateral.²¹

Third, related to the scope of the business area is closely related to the paid-up capital of a pawn company, this is stated in the provisions of article 4 paragraph (1) of the Pawn Business POJK, namely "... The paid-up capital of pawn companies is based on the scope of the business area, namely districts / cities or provinces. Therefore, private pawns have a scope of work areas limited to cities / districts or provinces.

¹⁸ Yudhi Arisanjaya & Muhammad Sood, Legal Protection for Consumers Against Pawn Damage to Private Pawn Institutions (Mataram City Study), Journal of Commerce Law Volume 3, Issue 1, June 2023, 184

¹⁹ Muchar Kusuma Atmadja, Legal Concepts in Development (Bandung: Alumni, 2002), 63.

²⁰ See the provisions of Article 19 Paragraph (1) of POJK Pawn Business

²¹ See the provisions of Article 19 Paragraph (3) of POJK Pawn Business.

There is another reason why only permits are given in one district, city or province so that this private pawn business is not monopolized by conglomerates. OJK encourages local entrepreneurs to grow into pawnshop business masters at the district or city level and at the provincial level.²²

Fourth, related to partnerships, the basis for the right of business partnership cooperation agreements between private pawn companies and other companies is based on the principle of freedom of contract. Furthermore, for the implementation of partnership cooperation in online private pawns, the general conditions for the validity of an agreement are made by fulfilling the legal conditions of the agreement and the agreement is made not with the intention of being contrary to law or with purposes that harm the public interest (individual, society and state), and or incompatible with the sense of justice or decency of society. Fifth, related to mortgageable goods. Goods that can be used as pawn collateral in the form of movable goods and have economic value.²³

The Development of Private Pawns for the Development of Micro, Small and Medium Enterprises Generally, pawn companies are State-Owned Enterprises (BUMN), namely PT. Pawnshop (Persero). However, there are already many private pawn companies conducting their business activities in Indonesia. OJK says there are around 4000-to-5000 private pawnshops operating in Indonesia.²⁴ The existence of this private pawn company was captured by the government as a potential financial force that is very good for the community. In 2016 the government has issued a regulation that is the basis for the existence of private pawn companies, namely "Financial Services Authority Regulation Number 31 / POJK. 05 Year 2016 concerning Pawning Business" (hereinafter referred to as "POJK Usaha Pergadaian").

The OJK Law has stipulated that pawnshops are financial service institutions that are under regulation and supervision by the OJK. Regarding the pawn agreement, currently a Pawn Business (POJK Usaha Pergadaian) has been issued which has influenced the legal regulation of guarantees, one of which is a pawn guarantee as a material guarantee in Indonesia. Pawn companies are divided into two, namely pawn companies managed by the private sector and pawn companies managed by the government under the supervision of OJK (Article 1 point 2 POJK Usaha Pergadaian). Further explanation about pawn companies can be divided into two, namely:

1. Private pawn companies

Article 1 point 3 of the Pawn Business POJK regulates pawn companies that carry out pawn business and are in the form of legal entities. The pawn business referred to in POJK The pawn business is broader in scope than what is described in Article 1150 of the Civil Code. The regulation has included the type of pawn business in the form of sharia. The scope of pawn companies is no longer only focused on PT. Pawnshops are government pawn companies, but also private companies.

2. Government pawn companies

Article 1 point 4 of the POJK Usaha Pergadaian regulates PT Pegadaian (Persero) which is a government pawn company. Previously the issuance of POJK Usaha Pergadaian, the positive law in Indonesia that

²² <http://republika.co.id/berita/koran/financia/L/16/10/05/Oekmki10-ojk-atur-pegadaian>. Retrieved April 15, 2018.

²³ Annisa Hanifah et al, The Urgency of Regulating Private Pawn Companies with Online Systems, Al-Mustashfa: Journal of Islamic Economic Law Research Vol. 3, No. 1, June 2018, 39.

²⁴ OJK Issues Private Pawn License in January 2016, <http://financial.id/newsreader/2089>. Retrieved January 12, 2024.

regulates pawning is Article 1150-1160 of the Civil Code. The meaning of a lien as a material security in the Civil Code that is *accessoir*, where the birth and elimination of the lien depends on the loan and loan agreement included in the principal agreement.²⁵

The issuance of the Pawn Business POJK will be a strong legal foundation for OJK in supervising the pawn business as one of the special financial services industries. The elements of the lien contained in the POJK are the same as the elements of the lien contained in the Civil Code, namely the position of the lien as material security. In Article 1150 of the Civil Code there are elements of a lien including:

1. Control of (movable) goods is in the hands of creditors or pawnshop companies;
2. In the event that the customer is unable to repay the loan, the pawn company can take repayment from the auction proceeds or sale of the movable property;
3. The pawn company as a creditor has the right to take precedence (*droit de preference*) over other creditors.²⁶

The development of the Pawn Business is not only related to the principles and legal systems used, but also includes institutions and services or products offered. Apparently, OJK sees a growing phenomenon in practice, including pawn businesses offered by certain individuals or business entities. To anticipate the development of the form of a business entity, Article 2 Paragraph (1) of the POJK Usaha Pergadaian stipulates that the Pawn Business can only be in the form of a legal entity Limited Liability Company (PT) or Cooperative. In addition to determining the form of legal entity, Article 4 Paragraph (2) of POJK regulates the scope of business areas, which is determined by paid-up capital, which is Rp. 500,000,000.00 (five hundred million) for the business scope of the district/city area; or Rp.2,500,000.00 (two billion five hundred million rupiah) for the scope of the provincial business area.

These two provisions only apply to newly established Pawn Business actors, because for Pawn Business actors who have carried out Pawn Business activities before this Pawn Business POJK takes effect, are exempt from these two articles, but are required to register and obtain permission from the OJK. In addition to determining the form of a business entity, Article 3 of the POJK Usaha Perpidaian prohibits a pawn company owned by a foreign national, or a business entity that is partially or wholly owned by a foreign citizen or business entity. Apparently, this regulation in the field of pawning business directs the pawn business as an alternative financing for the community based on its own strength.²⁷

Impact of Private Pawn Development for Micro, Small and Medium Enterprises Development

One of the weaknesses of MSMEs is the limited access of cooperatives and MSMEs to productive resources, especially raw materials, capital, technology, marketing facilities and market information. In terms of funding, mainly MSMEs have problems, namely limited own capital, low income levels, and collateral and administrative assets that do not meet banking requirements. Even micro and small

²⁵ Abubakar, L., & Handayani, T. (2018). Juridical study of the development of regulations and pawn business as material guarantee institutions. *Journal of Bina Mulia Hukum*, 2(1).

²⁶ Ni Putu Wahyu Mas Sanggia Suari, Expansion of Pawn Arrangements After the Issuance of the Financial Services Authority Regulation on Pawning Business, *Acta Comitatus: Journal of Notary Law*, Vol. 4 No. 1 April 2019, pp. 11 - 21

²⁷ Lastuti Abubakar, "Pranata Pawn as an Alternative to Self-Strength-Based Financing (The Idea of the Establishment of the Pawn Law)", *Journal of the Law Pulpit - Faculty of Law UGM*, Vol. 24, No.21, 2012, 16

enterprises are often entangled with loan sharks and less touched by financing institutions. In that case, pawnshops are here to fulfill as financing for individuals and MSMEs.²⁸

In the future, Pawn Business will be an attractive choice for the lower middle class, and micro, small and medium enterprises that are safe, efficient and provide optimal legal protection. In addition, access to obtain financing will be even greater, considering that in addition to PT Pegadaian (Persero) whose existence has been recognized, there will be many Private Pawn companies that will be an option.

Based on the current mapping of pawn companies, OJK will continue to encourage private pawn companies to immediately register their businesses to obtain business licenses until the specified deadline. This registration and licensing can be used by OJK to supervise and ensure that pawn companies in carrying out their business activities comply with regulations and in accordance with the purpose of their establishment. Based on Article 9 of POJK Usaha Pergadaian, pawn companies cannot carry out business activities before obtaining a business license from OJK.²⁹

The assertion that pawnshops are an alternative to financing needs to be emphasized in statutory provisions, because pawn institutions can be used in a non-financing context. In financing law, several financing alternatives are known both for the business world (business actors) and individuals. Small businesses have not been considered bankable because it is difficult to meet the requirements demanded by banks as a manifestation of the obligation to fulfill the prudential *banking principle*. Therefore, pawnshops become a way out for small businesses and individuals who need funds using their own power.³⁰

Private pawn companies are increasingly numerous and growing, proving that this private pawn business service is very easy, with fast and simple service does not need to be complicated to wait a long time. But usually this private pawn business service provides high enough interest so that it will burden the recipient of the lien. The existence of the Pawnshop company makes it easier for people to get money quickly and an easy process without having to lose their goods. Procurement companies are expected to be able to overcome the problem of community liquidity so that people who need money do not fall into the hands of money releasers (renternir).³¹

²⁸ Muhammad Adil Ginting, IMPLEMENTATION OF PAWN AGREEMENTS IN GOVERNMENT PAWNSHOP COMPANIES WITH PRIVATE PAWNSHOP COMPANIES (Study on PT Pegadaian and PT Indonesia Gadai Oke in Indonesia), Journal of Law of Deli Sumatra Journal of Legal Science Volume II, Number 1, December 2022

²⁹ Lastuti Abubakar & Tri Handayan, Juridical Study of the Development of Regulation and Pawn Business as Property Guarantee Institutions, Journal of Bina Mulia Hukum Volume 2, Number 1, September 2017, 85.

³⁰ Lstuti Akbar, Pranata Pawn as an Alternative to Own Strength-Based Financing (the idea of establishing the Procurement Law), Pulpit Law, 24 (1) 2012, 182.

³¹ Anditha Novriani & Ambardi, The Effect of Brand Loyalty and Brand Image on the Brand Equity of Pawn Companies (Study on Indonesian Pawn Center Customers), Proceedings of the 15th Urecol: Student Paper Presentation Series

CONCLUSION

The results showed that;

- a. In the lien agreement is regulated regarding the rights and obligations between the lien and the lienholder. The agreement made by both parties plays an important role in providing accountability for the fulfillment or non-fulfillment of the rights and obligations of creditors and debtors.
- b. The existence of this private pawn company was captured by the government as a potential financial force that is very good for the community. In 2016 the government has issued a regulation that is the basis for the existence of private pawn companies, namely "Financial Services Authority Regulation Number 31 / POJK. 05 Year 2016 concerning Pawning Business" (hereinafter referred to as "POJK Usaha Pergadaian").
- c. Private pawn companies are increasingly numerous and growing, proving that this private pawn business service is very easy, with fast and simple service does not need to be complicated to wait a long time. But usually this private pawn business service provides high enough interest so that it will burden the recipient of the lien.

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